

# Afghan Opium and Terror in South Asia

by Ramtanu Maitra

Dec. 29—Following the Mumbai massacre (Nov. 26-29, 2008), many “important” personnel moved through the Indian Subcontinent, ostensibly with the intent of unearthing the ghastly plot that killed at least 200 people and made a mockery of India’s security. During the visits of these “important” personnel, and subsequently, only one person mentioned the thousands of tons of opium (8,200 tons in 2007, and reportedly, 421 tons of heroin) produced year after year in Afghanistan, as a major cause of the growing terrorism in the region. In reality, the huge amount of opium is allowed to be produced not only to finance terrorists and illegal gun manufacturers, but also to infuse cash into the bankrupt world financial system, through the offshore banks.

That voice of reality was heard from Moscow when, in an interview with the Russian government daily *Ros-siskaya Gazeta*, Russia’s federal anti-narcotics service director Viktor Ivanov said: “The gathered inputs testify that regional drug baron Dawood Ibrahim had provided his logistics network for preparing and carrying out the Mumbai terror attacks.” Ivanov said the Mumbai attacks were a “burning example” of how the illegal drug-trafficking network was used for carrying out terrorism.

“The super profits of the narco-mafia through Afghan heroin trafficking have become a powerful source of financing organized crime and terrorist networks, destabilizing the political systems, including in Central Asia and Caucasus,” Ivanov said at the fifth India-Russia meeting of the joint working group on combatting international terrorism, in mid-December. The Indian delegation was led by Vivek Katju, Special Secretary in the Ministry of External Affairs; the Russian delegation was led by Anatoly Safonov, Special Representative of the President.

## The Drug-Led Corruption

While Dawood Ibrahim’s involvement has been tossed about in the media, what Ivanov said never got through to the investigators. Or, is it that the drug angle



was deliberately ignored, in order to abort the investigation by resorting to blame games, with the purpose of ending up nowhere?

The Dawood angle was also pointed out in the *Asia Times* by Raja Murthy on Dec. 9, when he said it is likely that, despite all the noises that are made in New Delhi, India really does not want Dawood back. His argument goes: “The catch is that India’s most infamous mafia boss has stories that powerbrokers on both sides of the border might not want the world to hear. Therein lays a reason why Ibrahim apparently continues to live lavishly—alternating between Karachi and Dubai in the United Arab Emirates, according to various reports including from the Pakistan media.”

Be that as it may, it is nonetheless true that there is hardly anyone with “power and authority” in Mumbai—and that includes Shiv Sena supremo Raj Thackrey and mainstream politician and former chief minister Vilasrao Deshmukh, among many other political luminaries,

law-and-order bigwigs, and almost the entire group of tax-evading Mumbai movie moguls—who is not on the take from this drug-pushing, murderous creature, now under the wings and threats of the Pakistani Inter-Services Security (ISI), British MI6, and the CIA.

But, then again, like the terrorist groups Lashkar-e-Taiba, Jaish-e-Muhammad, Hizbul Mujahideen, Harakatul Mujahideen, et al., creatures like Dawood would remain active as long as drugs are grown aplenty to serve the interests of the powers-that-be, and to fill the coffers of bankrupt banks. That is how Dope, Inc. survives and flourishes. The deaths of common citizens are “collateral damage” that the powers-that-be ignore, by diverting attention in such ways as blaming others and creating war-like situations.

This is exactly what has been promoted through a pantomime orchestrated by New Delhi and Islamabad. Instead of addressing the devastating role of thousands of tons of opium, produced annually in Afghanistan and distributed all over, fostering terrorists in Pakistan and bringing misery to India, New Delhi and Islamabad chose to flex their muscles, providing the terrorists and jihadists alike, with a rare opportunity to portray themselves as “patriots.” Would bringing troops to the India-Pakistan border eliminate terrorism? Did it ever achieve this objective? Would anybody with an iota of sense believe that? Then, why do it? Why create a situation in which some mischief-makers could create an incident leading to armed confrontations and the deaths of many, while solving nothing? Why? Why?

## **The Coverup**

The answer to that question is basically the unwillingness of political leaders to protect their citizens, and instead, to kowtow to the powers-that-be. The 8,200 tons of opium, when a large chunk of it is converted into heroin, generates a lot of cash. It could be as high as a couple of hundred billion dollars when cut, re-cut, and sold to addicts in Russia, England, and elsewhere in Europe. It brings in about \$100 million for the Taliban and other brands of terrorists, or jihadis, or Hindu Tamil Tigers, or Shiv Sena—you name it. That amount, generated annually, is enough to arm and train hosts of terrorists stretching from Chechnya, to Urumqi, to Mumbai. When one group of terrorists is exposed, it is converted to another brand. It is also a boon for the powers-that-be, that opium money is acceptable to all “devoutly religious” terrorists, be they Islamists, Hindu fanatics, or Sikh Khalistanis. That money has no color.

It is also known that the global financial system, which is the quintessential Anglo-Dutch Liberal system designed in the 18th Century to loot the colonies, and imposed on the war-ravaged world in 1944 after President Roosevelt’s death, is presently in its death throes. The City of London is bankrupt, Wall Street is bankrupt, and the only cash that “could” keep the collapsed financial system going is drug money. This drug money, at least a good part of it, is generated in this area, with the help of Dawood Ibrahim, who works overtime on behalf of the British and runs his operation through British-controlled Dubai. Drugs come into Dubai by means of Dawood’s “mules,” protected by the ISI-MI6; and in containers which carry equipment sent to Dubai for “repair” from Kandahar and elsewhere in southern Afghanistan. British troops control the southern Helmand province in Afghanistan, where 53% of Afghanistan’s gargantuan 8,200 tons of opium were produced in 2007.

The drugs are converted to cash in Dubai, where Dawood maintains a palatial mansion, similar to the one he maintains in Karachi. Dubai is a tax-free island-city, and a major offshore banking center. The most common reason for opening an offshore bank account nowadays is the flexibility that comes with such an account, and expatriates can particularly benefit from an offshore bank account, as it will likely allow them to manage their international financial commitments with ease.

With the development of the Dubai International Financial Centre (DIFC), which is the latest free-trade zone there, flexible and unrestricted offshore banking has become big business. Many of the world’s largest banks already have a significant presence in Dubai—Abbey National Offshore, HSBC Offshore, ABN Amro, ANZ Grindlays, Banque Paribas, Banque de Caire, Barclays, Dresdner, and Merrill Lynch all have offices there. And as drug production continues in Afghanistan, and bankruptcies galore take place worldwide, more banks will surely “find” Dubai.

## **Drugs and Offshore Banks**

Besides Dubai, most of the offshore banks are located in former British colonies. Exceptions include Cyprus, Switzerland, Liechtenstein, Dominica, Cape Verde, and the Turkish Republic of North Cyprus. But the vast majority are situated in former British colonies, and all are involved in money laundering: Legitimizing cash, generated from drug-sales and other smuggled



Creative Commons/EVO

*Dubai, an island-city in the United Arab Emirates, has become a drug-money-laundering and offshore banking center. Dawood Ibrahim maintains a mansion there.*

goods, for the “respectable banks,” is the watchword of these offshore banks.

Arguably the most important of the Caribbean offshore financial centers is the Cayman Islands, a British Overseas Territory run by a royal governor appointed by Queen Elizabeth II. The Caymans are mainly a mail drop and regulation-free zone, a place where hot money is welcome and few questions are asked.

It is well known in law enforcement circles that the dope trade would quickly choke on its own cash were not a significant portion of the global financial system devoted to money laundering. The offshore centers in the Caribbean were set up to facilitate the Central American drug trade, and have expanded with it.

Overseeing the Caymans financial system are a number of imperial operatives. The royal governor, Stuart Duncan Jack, is a knighted Commander of the Royal Victorian Order. The Cayman Islands Monetary Authority is run by Timothy Ridley, who was made a Knight of the Order of the British Empire. Richard Rahn, a member in the Board of Directors of the Cayman Islands Monetary Authority, was an economic advisor in the 1980s to President George H.W. Bush; now he heads the European Center for Economic Growth and is a member of the oligarchical Mont Pelerin Society.

In other words, the drugs that Dawood’s mules carry are doing a yeoman’s service for the Anglo-Dutch global financial system, as well as for the terrorists who

are killing innocents all over the world. Why make waves about that, New Delhi ponders.

Moreover, Indians know better than most others that where there is opium, there are the British. In Helmand province, British troops rule the roost—or rather, take good care of the City of London’s valuable cash. In India, as Prof. Amitav Ghosh (author of *Sea of Poppies*) pointed out during his research work, the British Empire, in the late 18th Century, became so dependent on the opium trade, that almost 60% of its revenue was generated from opium sales. Ghosh says if there had been no opium, the British Empire would have died in a minute.

That tradition continues even today. Wherever there is opium,

Anglo-Dutch financiers and their American despot friends, like bees seeking honey, set up their houses. Pakistan’s powers-that-be are fully immersed in enjoyment of the drug money, at the expense of being about to lose the western part of Pakistan. But India is no less affected by it; things work differently there.

In India, when the British finally left, partitioning this country, there were about 550-odd princely states. Because of the nature of their set-up, these were completely under the grip of Whitehall and Buckingham Palace. These miserable feudal lords used to spend whatever fortune the British allowed them to have, in British hotels and brothels, vying at the same time for “rewards” from the British monarchy. This despicable class of feudalists in India was downright anti-national, and the worst of the British lackeys, to say the least.

In India, the first legislation to curb the cultivation and production of opium was through the Bengal Regulation Act 4 1797 which made cultivation, production, and trade in opium a monopoly of the East India Company in the territories controlled by it. Further, the Company tried to control the trade in opium in the princely states, by creating huge transit barriers: transit tax and customs duties for the opium exported through its territory and ports. Incidentally, all the seaports were held by the East India Company. The next regulations to control opium cultivation, production, and trade were the Opium Acts of 1858 and 1878.

Subsequently, the British created mechanisms for controlling production, processing, vending, and exporting of opium, making huge profits. They began with Patna opium (in Bihar and United Provinces); extended their control over Telengana opium in the princely state of Hyderabad, under the Nizam. But it was much later that they managed to control Malwa opium, produced in today's states of Madhya Pradesh and Rajasthan. Capital formation in western India was directly linked to the smuggling of opium to China with the help of Parsee, Marwari, and Gujarat entrepreneurs. The British also made large profits through taxes on local consumption, because they were the monopoly suppliers. While, for the British, the Dutch, and other colonial powers, opium was a major article of trade, the United States did not get involved in the opium trade, although a number of New England families, some of them later known as the "Boston Brahmins," transported opium to China. In the post-colonial period, the United States became heavily involved in the Central American cocaine traffic, and, during the 1980s, with Afghan opium.

### **The Princely State Connection**

Unfortunately, the former princely states' connection to the drug inflow has not ended, particularly among the states bordering Pakistan, whence almost all Afghan opium comes into India. A number of former princely states, such as the House of Gwalior, continued to remain involved in illegal domestic opium trafficking. It is opium and heroin, entering from Pakistan, that comes through many of these former princely states, where the old drug-network still survives.

The March 2008 annual report of the International Narcotics Control Board noted increased trafficking and abuse of cannabis and heroin in South Asia. West African traffickers have targeted countries in South Asia, particularly India, for cocaine trafficking.

The report further said: "South American cocaine is trafficked to India in small quantities where it is exchanged for South-West Asian heroin bound for Europe and North America. India is increasingly being used as a major transit country and also as a destination country for drug trafficking. Cross-border smuggling is relatively easy because of the porous borders between Bangladesh, Bhutan, India and Nepal. Illicit cultivation and abuse of cannabis continue to be a problem in most of the countries in South Asia." It has also been noted that opium and heroin enter India through Punjab, where at

least four former princely states exist, as well as through Gujarat, Rajasthan, Jammu and Kashmir, and Mumbai, among other areas.

### **The Case of Three Terrorists**

This brings us to the events of 1999, and the release of three top terrorists to the Taliban in Kandahar, in order to gain release of 188 hostages. Those three terrorists, Mushtaq Ahmed Zargar, Ahmed Omar Saeed Sheikh, and Maulana Masood Azhar, who were in Indian jails, were personally delivered by the Indian External Affairs Minister and scion of the former princely state of Jodhpur, Jaswant Singh. Jodhpur lies along the Afghan opium drug route into India.

This raises many questions. To begin with, all three were top-drawer terrorists. Mushtaq Ahmed Zargar has renewed the activity of al-Umar Mujahideen in Muzaffarabad, close to the Line of Control, in the disputed state of Jammu and Kashmir, and is recruiting and training youth to carry out terrorism in the Indian part of Kashmir.

Maulana Masood Azhar hit the headlines again following the Mumbai massacre, when New Delhi demanded that Islamabad hand him over as a "test of sincerity." Masood Azhar founded the terrorist group Jaish-e-Mohammed, and was identified by Indian investigators as the one who masterminded, along with the Pakistani ISI, the audacious attack on the Indian Parliament in December 2001. That assault left 14 people dead, including all five terrorists, who India says were also Pakistanis. The incident almost led to war between India and Pakistan.

Ahmed Omar Sheikh Saeed, a British subject, is perhaps the biggest fish in the kettle. He is an MI6 agent who was recruited to serve in Kosovo. Later, he was sent to the state of Jammu and Kashmir, where he kidnapped foreigners and was arrested. Following his release, Sheikh was named as an accomplice of one of the 9/11 terrorists, and later slit the throat of Daniel Pearl, an American journalist investigating the terrorist links. Although London vehemently denies that Sheikh is an MI6 agent, Sheikh's role in the Subcontinent makes it necessary for MI6 to deny his post-Kosovo affiliation to British intelligence.

This raises another question: Was Sheikh's release obtained through pressure from London, using a scion of a former princely state? Since so many people have since been killed by these released terrorists, it is worth getting the answer to that question.